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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**CALCASIEU PARISH WARD 7 FIRE
PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

December 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 27 2012**

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COMPANY AUDIT FIRMS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Calcasieu Parish Ward 7 Fire
Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the accompanying financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2011, and for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

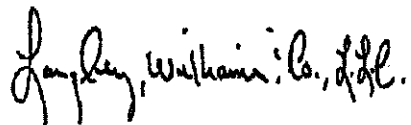
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Ward 7 Fire Protection District No. 1 as of December 31, 2011, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2012, on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that budgetary comparison information of pages 21 and 22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance..



March 22, 2012

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
December 31, 2011

ASSETS

Cash and cash equivalents	\$ 2,411,996
Ad valorem tax receivable, net of allowance for doubtful accounts of \$15,998	787,630
Capital assets, net of accumulated depreciation	<u>1,005,850</u>
Total assets	<u>4,205,476</u>

LIABILITIES

Accounts payable	8,150
Payroll taxes payable	717
Pension fund deduction payable	23,934
Accrued liabilities	2,340
Long-term liabilities:	
Bond payable--	
Portion due within one year	100,000
Portion due after one year	<u>115,000</u>
Total liabilities	<u>250,141</u>

NET ASSETS

Investment in capital assets	1,005,850
Restricted for:	
Debt service	807,225
Unrestricted	<u>2,142,260</u>
Total net assets	<u>\$ 3,955,335</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2011

Function/Programs	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	Capital Grants, and Contributions	
Governmental activities:					
General government	\$ 467,706	\$ -	\$ -	\$ 35,379	\$ (432,327)
Total Government Activities	<u>\$ 467,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,379</u>	<u>(432,327)</u>
General revenues:					
Ad valorem taxes					784,112
State revenue sharing					3,048
Fire tax rebate					9,853
Interest					5,697
Miscellaneous					<u>716</u>
Total general revenues					<u>803,426</u>
Change in net assets					371,099
Net assets - beginning of year					<u>3,584,236</u>
Net assets - end of year					<u>\$ 3,955,335</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
GOVERNMENTAL FUND
BALANCE SHEET
December 31, 2011

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,679,750	\$ 732,246	\$ 2,411,996
Ad valorem tax receivable, net of allowance for doubtful accounts of \$15,998	482,368	301,524	783,892
State revenue sharing receivable	3,048	-	3,048
Accrued interest receivable	692	-	692
Total assets	<u>\$ 2,165,858</u>	<u>\$ 1,033,770</u>	<u>\$ 3,199,628</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,152	\$ -	\$ 8,152
Payroll taxes payable	717	-	717
Pension fund deduction payable	14,729	9,205	23,934
Total liabilities	<u>23,598</u>	<u>9,205</u>	<u>32,803</u>
Fund balance:			
Ristricted for debt service	-	1,024,565	1,024,565
Unassigned	2,142,260	-	2,142,260
	<u>2,142,260</u>	<u>1,024,565</u>	<u>3,166,825</u>
Total liabilities and fund balance	<u>\$ 2,165,858</u>	<u>\$ 1,033,770</u>	<u>\$ 3,199,628</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS
December 31, 2011

FUND BALANCE OF GOVERNMENTAL FUNDS		\$ 3,166,825
Amounts reported for governmental activities in the Statement of		
Net Assets are different because:		
Capital assets used in governmental activities are not financial		
resources and therefore, not reported in the funds.		
Cost of capital assets	\$ 3,236,753	
Less - accumulated depreciation	<u>(2,230,903)</u>	1,005,850
Long-term liabilities at December 31, 2011		
Bonds payable	\$ (215,000)	
Accrued interest	<u>(2,340)</u>	<u>(217,340)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 3,955,335</u></u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2011

	General Fund	Debt Service Fund	Total Governmental Funds
Revenue:			
Ad valorem taxes	\$ 482,529	\$ 301,584	\$ 784,113
State revenue sharing	3,048	-	3,048
Fire tax rebate	9,853	-	9,853
Grants	35,379	-	35,379
Interest	4,704	993	5,697
Miscellaneous	718	-	718
Total revenues	<u>536,231</u>	<u>302,577</u>	<u>838,808</u>
Expenditures:			
Current:			
General government	220,392	11,574	231,966
Capital outlay	66,146	-	66,146
Debt service:			
Principal retirement	-	100,000	100,000
Interest	-	11,503	11,503
Total expenditures	<u>286,538</u>	<u>123,077</u>	<u>409,615</u>
 Excess of revenues over expenditures	 249,693	 179,500	 429,193
 Fund balance at beginning of year	 <u>1,892,567</u>	 <u>845,065</u>	 <u>2,737,632</u>
 Fund balance at end of year	 <u><u>\$ 2,142,260</u></u>	 <u><u>\$ 1,024,565</u></u>	 <u><u>\$ 3,166,825</u></u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2011

Total net change in fund balance - governmental funds	\$ 429,193
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital outlays	\$ 66,145	
Depreciation expense	<u>(225,312)</u>	(159,167)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

100,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

1,075

Change in net assets of governmental activities

\$ 371,101

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Calcasieu Parish Ward 7 Fire Protection District No. 1 (District) was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

Basis of Presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

Basic Financial Statements – Government-Wide Statements

The District's financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's net assets are reported in three parts – invested in capital assets (net of related debt), restricted for debt service and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The net cost (by function) is normally covered by general revenues.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements (Continued)

The District uses the following fund types:

- a. General fund is the general operating funds of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Capital projects fund is used to account for financial resources to be used in the acquisition or construction of major capital facilities and equipment.
- c. Debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on the long-term obligations of the District.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. All three of the District's governmental funds are considered major funds.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Government-wide Financial Statements:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the District consist principally of property taxes, other intergovernmental revenues, donations, and interest income. Property taxes are billed and generally collected within the fiscal year in which the taxes are levied. Interest income is recorded when earned. Donations and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

2. Fund Financial Statements:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenue is recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is the principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Accounts Receivable

Accounts receivable consists of ad valorem taxes totaling \$803,628 as of December 31, 2011. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2011, was \$15,998.

Budgets

Under GASB No. 34 budgetary comparison information is required to be presented for the general fund with a legally adopted budget.

For further information regarding the District's budget process see Note 6.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets – (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	15 – 50 years
Equipment	5 – 20 years

Long-term Obligations

Long-term obligations are reported as liabilities in the government-wide statements. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a governmental fund.

Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with the fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District places no limit on the amount the District may invest in any one issuer.

At December 31, 2011, the District had cash and cash equivalents (book balances) totaling \$2,411,996. All cash and cash equivalents are held in demand deposit accounts or cd's maturing in three months or less.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1

CALCASIEU PARISH POLICE JURY

December 31, 2011

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS - (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the District has \$2,412,017 in collected bank balances. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,625,962 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - AD VALOREM TAXES

Accounting principles generally accepted in the United State of America for government prescribe a modified accrual basis to be applied to property tax revenues. An assessment is made to finance the budget of a particular period and the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was provided (budgeted) and for which the collections are reasonably available. Expected collections and collections of the 2011 levy are accrued as receivable and as revenue in the current year (2011). For budget purposes, property taxes collected in 2011 are designated as revenue appropriable in the 2011 budget year.

For the year ended December 31, 2011, taxes of 16.25 mills were levied on property with assessed valuations totaling approximately \$48,180,595 dedicated as follows:

Maintenance	10.00 mills
Bond Sinking	6.25 mills

Total taxes levied were \$782,587.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

During the year, the tax assessor made adjustments to previous year taxpayer valuations and wrote off a total of \$3,426 worth of taxes. This amount was net against current year ad valorem taxes along with \$174 worth of prior year tax refunds.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2011, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Building	523,380	-	-	523,380
Building improvements	113,368	-	(10,088)	103,280
Equipment	2,572,623	66,145	(32,606)	2,606,162
Total at historical cost	3,213,302	66,145	(42,694)	3,236,753
Less accumulated depreciation				
Building	(227,534)	(10,107)	-	(237,641)
Building improvements	(104,851)	(573)	10,088	(95,336)
Equipment	(1,715,902)	(214,632)	32,606	(1,897,928)
Total accumulated depreciation	(2,048,287)	(225,312)	42,694	(2,230,905)
Governmental activities capital assets, net	<u>\$ 1,165,015</u>	<u>\$ (159,167)</u>	<u>\$ -</u>	<u>\$ 1,005,848</u>

Depreciation expense for the year ended December 31, 2011, was charged to governmental activity in the amount of \$225,312.

NOTE 5 - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2011:

Payable January 1, 2011	\$ 315,000
Retired	100,000
Payable December 31, 2011	<u>\$ 215,000</u>

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

December 31, 2011

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM DEBT - (Continued)

Bonds payable at December 31, 2011, is comprised of the following issue:

\$1,125,000 general obligation bonds dated March 1, 1998;
due in annual installments of \$40,000 to \$110,000 through
March 1, 2013; plus interest at 8.00% to 4.35% due semiannually
on March 1 and September 1 beginning September 1, 1998;
secured by levy and collection of ad valorem taxes \$ 215,000

The annual requirements to amortize all debts outstanding as of December 31, 2011, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 105,000	\$ 7,069	\$ 112,069
2013	110,000	2,393	112,393
	<u>\$ 215,000</u>	<u>\$ 9,461</u>	<u>\$ 224,461</u>

NOTE 6 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year end.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The appropriated budget is prepared by fund and function. The proposed budget is presented to the District's Board of Commissioner for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations by more than five percent.

Encumbrance accounting is not used.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date that the financial statements were available to be issued, March 22, 2012, and determined that no events occurred that required recording or disclosure in the financial statements for the year ended December 31, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue:				
Ad valorem taxes	\$ 410,000	\$ 467,500	\$ 482,529	\$ 15,029
State revenue sharing	3,100	3,047	3,048	1
Fire tax rebate	10,000	9,853	9,853	-
Grants	25,000	35,900	35,379	(521)
Interest	5,000	3,800	4,704	904
Miscellaneous	-	-	718	718
Total revenues	<u>453,100</u>	<u>520,100</u>	<u>536,231</u>	<u>16,131</u>
Expenditures:				
Governmental				
Gener General government	202,900	281,308	220,392	60,916
Capital outlay	<u>250,200</u>	<u>238,792</u>	<u>66,146</u>	<u>172,646</u>
Total expenditures	<u>453,100</u>	<u>520,100</u>	<u>286,538</u>	<u>233,562</u>
 Excess of revenues over expenditures	-	-	249,693	249,693
 Fund balance at beginning of year	<u>1,892,567</u>	<u>1,892,567</u>	<u>1,892,567</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,892,567</u>	<u>\$ 1,892,567</u>	<u>\$ 2,142,260</u>	<u>\$ 249,693</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

**SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET
AND ACTUAL (GAAP BUDGETARY BASIS) - GENERAL FUND**

Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Accounting	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Bad debt	1,500	6,000	2,003	3,997
Bank charges	-	-	393	(393)
Deductions from ad valorem taxes - retirement	10,000	12,000	14,729	(2,729)
Firemen's fee	35,000	53,000	53,453	(453)
Fuel	7,500	10,600	10,437	163
Insurance	43,000	43,000	42,953	47
Maintenance and repairs	4,000	5,550	6,348	(798)
Office	5,000	3,800	4,691	(891)
Service	16,000	13,000	13,226	(226)
Payroll taxes	1,500	1,550	1,550	-
Per diem paid commissioners	3,400	3,120	3,060	60
Salaries	20,000	20,088	20,088	-
Supplies - operating	40,000	92,900	31,176	61,724
Supplies - housekeeping	1,000	400	406	(6)
Utilities and telephone	12,000	13,300	12,879	421
Total general governmental expenditures	<u>\$ 202,900</u>	<u>\$ 281,308</u>	<u>\$ 220,392</u>	<u>\$ 60,916</u>

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2011
PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$60 per diem for attending regular monthly meetings and special meetings.

	<u>2011</u>
Guy L. Renfrom	\$ 420
Stephen A. Smith	600
Jerry C. Nichols	720
Raymond L. Kelly, Sr.	720
Kirby K. LeDoux	600
	<u>\$ 3,060</u>



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN

MEMBERS OF-
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
ACCOUNTING OVERSIGHT BOARD
CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the basic financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 22, 2012. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

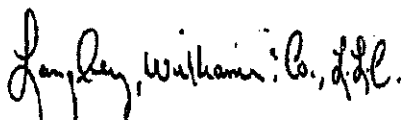
However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of current and prior audit findings and corrective action plan that we consider to be significant deficiencies in internal control over financial reporting. We consider items 11-01(IC) and 11-02(IC) to be significant deficiencies. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed that no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Calcasieu Parish Ward 7 Fire Protection District No. 1's management, the Board of Commissioners, the Calcasieu Parish Police Jury and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Lake Charles, Louisiana
March 22, 2012

**SUMMARY SCHEDULE OF CURRENT AND PRIOR
YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
Year Ended December 31, 2011**

Financial Statements

Internal control over financial reporting:

- Noncompliance material to financial statements noted? No**

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN**

For the Year Ended December 31, 2011

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (12/31/2011)						
Internal Control:						
11-01 (IC)	Unknown	Calcasieu Parish Ward 7 Fire Protection District No. 1 did not have adequate segregation of duties within the accounting system.	No	The District's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	John Henderson	NA
11-02 (IC)	2007	Calcasieu Parish Ward 7 Fire Protection District No. 1 does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District's management has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with (GAAP) and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	John Henderson	NA
Compliance:						
There were no matters involving compliance to be reported.						
Prior year (12/31/2010)						
Internal Control:						
Same as current year.						
Compliance:						
10-01 (C)		For the year ended December 31, 2010, actual expenses exceeded budgeted expenses by more than 5%. State law requires that actual revenues and expenditures fall within 5% of budget.	Yes	Monitor budget process carefully to account for the differences between budget and actual	John Henderson	Done